



Date: November 11, 2008

To: Mayor and City Council for Action

From: City Manager

Subject: Quarterly Report for 2007-2009 Council Principles and Priorities, and Schedule the Next Quarter Status Report on the Council's Principles and Priorities for 2007-2009 for the January 27, 2009 Council Meeting

EXECUTIVE SUMMARY:

Council adopted principles and priorities for the year 2007 through 2009 timeframe. The goals were then referred to the City Manager to develop an implementation plan for each goal. This is a quarterly status report on specific goals that were identified by the City Council through consensus and prioritization. Attached are detailed status reports on each priority for your review. Several significant accomplishments were achieved, as well as significant progress made in each focus area. See "Discussion" for highlights in regards to each of the goals.

ADVANTAGES AND DISADVANTAGES OF ISSUE:

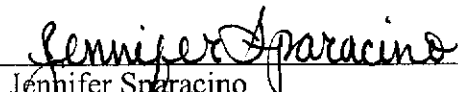
Quarterly status reports are helpful to the Council, community and staff in tracking progress on Council goals.

ECONOMIC/FISCAL IMPACT:

Costs are associated with implementing each priority goal. The Council's greatest priority is to "focus on successful completion of existing City projects, postpone new City projects and proposals, and operate within Council adopted budget principles and priorities, with the goal of guiding the City successfully to economic recovery." Budget appropriations may be required as the initiatives are fully developed, subject to funding challenges.

RECOMMENDATION:

That the Council accepts the Quarterly Status Report for Council Principles and Priorities for 2007-2009; and schedule the next quarterly status report for Council Principles and Priorities for January 27, 2009 City Council meeting.


Jennifer Sparacino
City Manager

Documents Related to this Report: Reports on the Council Goals Summary Analysis

\\ACTYMNGRS\COUNCIL\2007-2009 Council Goals\November 18 2008 Update Qrt Rpt Resch from Oct 28 2008\Nov 18 2008 Council Principles and Priorities Update.doc

DISCUSSION:

Highlights of the status reports for 2007-2009 Council Principles and Priorities include the following:

1. The Police Department staffed a booth at the July 4th Citywide Picnic and at the Art & Wine Festival this year, distributing crime prevention and emergency preparedness information. The Fire Department also staffed a booth at both events and distributed Fire Safety information.
2. The 26th Session of the Citizen's Police Academy began on September 24th.
3. On October 23, 2008 the Police and Fire Departments participated in an Earthquake response drill in the City's Emergency Operations Center. Many Northern California agencies participated in similar exercises in commemoration of the 140th anniversary of Hayward Fault release.
4. The Fire Department conducted Home Emergency Team (HEAT) training throughout the last quarter: 50 residents and an additional 20 City employees graduated from the program October 1.
5. General Plan Update: On September 10, 2008, the Planning Commission and City Council participated in a joint meeting to review input from community meetings and the Steering Committee as well as to discuss the vision for the 2035 General Plan.
6. Emergency Communications Center Relocation: The Construction Project has been awarded to Page Construction. Construction to begin November 2008 with completion by spring 2010.
7. City's commitment to reduction of greenhouse gases (GHG): City's Sustainable Silicon Valley GHG reduction goals for 2010 have already been met with a 10 percent reduction in CO₂ emissions associated with energy use at its City Hall and holding its vehicle fleet's total annual fuel consumption steady during a period of growth for Santa Clara.
8. Expanding recycling at City facilities and City wide special events: Conducted proposal process and selected and approved a new agreement for an enhanced curbside recycling with the current provider. Improvements which will increase materials for recycling will be implemented in December, 2009.
9. An Ethics booth was staffed in a prominent location at the Art and Wine Festival held September 13 and 14. Information on the City's Ethics and Values program was handed out at this event to Festival patrons.
10. City's Communication Plan for the Vote Ethics 2008 Program in the Fall Issue of *Inside Santa Clara*:
(a) The Fall issue of Inside Santa Clara contained the Campaign 2008 Voters Guide as an insert. The Guide provided information on how voters can evaluate candidates and the type of campaign strategies candidates use in their efforts to win. (b) The issue also included an article, "Listening to Candidates is Part of Making an Informed Decision." The article provided information on the Candidates Forum scheduled for October 9, 2008 and The Final Word Forum scheduled for November 3, 2008.
11. Collaboration between Parks & Recreation Department staff & the Library's Youth Services staff: The Library staff will be working with the Community Recreation Center staff for six consecutive Monday evenings, June 29 through July 31, 2009 for the Library's Multi-Cultural Monday programs to be held at Central Park Pavilion, which will include programs such as Red Panda Acrobats, Ballet Folklorico, Native American Drummers and Dancers, and Santa Clara High School's Jazz Ensemble.

Mayor and City Council for Action

SUBJECT: Quarterly Report for 2007-2009 Council Principles and Priorities, and Schedule the Next Quarter Status Report on the Council's Principles and Priorities for the January 27, 2009 Council Meeting
November 11, 2008

Page 3

12. Cultural heritage/diversity entertainment: Santa Clara City Library will again celebrate Native American Heritage month (November 2008) with a series of programs, bookmarks, films and displays celebrating the rich and diverse cultural contributions of the Native American Tribes. Native American Drum group Swift-Cloud will return to the Library on November 25 with a evening program of drumming and traditional dance.
13. Library Ambassador Program: Council members evaluated entries for READ Santa Clara's annual writing contest for the Book of Learner Writings. The theme of this year's contest was "What I really, really, REALLY want", in which learners wrote about their heart's desire.
14. Garage Sale Day was held on Saturday, August 16, 2008, and positive resident feedback was received by telephone and email. Garage Sale Day has been scheduled for August 15, 2009 and will be published in the City calendar.
15. Status of Feasibility of Stadium: The 49ers have begun the California Environmental Quality Act (CEQA) process by filing a project application for the proposed stadium. On August 15, 2008, the City issued a Notice of Preparation of an Environmental Impact Report for the 49ers Stadium Project, and two public scoping meetings were held on September 2, 2008 to allow public input on the scope and content of the environmental information to be considered in the Environmental Impact Report (EIR).
16. Belovida (Martins): Existing buildings demolished and site grading completed. Groundbreaking ceremony held September 4. Building construction is underway.
17. The Commons Project (Bill Wilson Center): Groundbreaking ceremony held September 24 to commence start of substantial rehabilitation of the 28-unit facility.

***Council Principles & Priorities
Maintain Superb/Affordable Core Services
Implementation Plan Update
November 13, 2008***

State Council Priority: Strengthen emergency preparedness citywide.

Project Manager Responsible for Implementing the Council Priority: Fire Chief and Police Chief.

Quarterly Reporting of Highlights of Progress/Accomplishments:

- a. The Police Department staffed a booth at the July 4th Citywide Picnic, distributing crime prevention and emergency preparedness information. The Fire Department also staffed a booth and distributed Fire Safety information.
- b. The Police Department, Fire Department, and City Officials visited approximately 30 neighborhood gatherings during National Night Out on August 5th. Crime prevention, fire prevention, and emergency preparedness information was provided.
- c. The Police Department staffed a booth at the Art and Wine Festival, distributing crime prevention and emergency preparedness information. The Fire Department also staffed a booth and the "Fire Safety House" trailer to deliver fire safety and emergency preparedness information.
- d. The 26th Session of the Citizen's Police Academy began on September 24th.
- e. The Police Department held at least two Neighborhood Watch meetings discussing crime prevention and emergency preparedness.
- f. The South Bay Terrorism Early Warning Group made another presentation at the Police Department for regional law enforcement administrators.
- g. The Fire Department conducted Home Emergency Assistance Team (HEAT) training throughout the last quarter. 50 residents and an additional 20 City employees graduated from the program October 1.
- h. The Fire Department conducted instructor training for upcoming CPR classes for City employees.
- g. On October 23, 2008 the Police and Fire Departments participated in an Earthquake response drill in the City's Emergency Operations Center. Many Northern California agencies participated in similar exercises in commemoration of the 140th anniversary of Hayward Fault release. The earthquake scenario focused on day 2 of the incident, and managers focused primarily on recovery operations rather than on initial response.

Next Quarter:

- a. The 26th Session of the Citizen's Police Academy will graduate in December.

- b. All sworn Police Department personnel will receive First Responder refresher training.
- c. The Fire Department will conduct CPR training for City employees.
- d. The final 2008 HEAT classes will be conducted in October.

Council Principles & Priorities
Maintain Superb/Affordable Core Services
Implementation Plan Update
November 18, 2008

State Council Priority: Complete General Plan Update for 2010-2035.

Project Manager Responsible for Implementing the Council Priority: Director of Planning & Inspection.

Quarterly Reporting of Highlights of Progress/Accomplishments:

- City staff and consultants conducted two workshops attended by citizens and City officials to explore options for the housing element, issues of environmental concern and the scope for the project Environmental Impact Report.
- The Council approved 19-person General Plan Update Steering Committee met on July 10 and August 28, 2008 to review staff/consultant work and results from community workshops.
- On September 10, 2008, the Planning Commission and City Council participated in a joint meeting to review input from community meetings and the Steering Committee as well as to discuss the vision for the 2035 General Plan.
- The draft existing conditions reports were completed and public surveys collected for analysis.
- Staff and the consultants have begun the traffic analysis and identification of housing opportunity sites.
- Staff has begun to identify potential strategies and issues to be addressed.

Next Quarter

- Two meetings for the Steering Committee are scheduled for November 5 and December 11, 2008, with the discussion focused on General Plan alternatives and the Housing Element Update, respectively.
- A public workshop regarding General Plan alternatives is scheduled for October 27, 2008.
- Release of the findings from the Citywide survey is expected in November and stakeholder interviews for the Zoning Code Update are scheduled for November.
- Over the next reporting period, staff will be working with the various City departments and outside agencies to gather input and suggestions on potential policy and land use alternatives for consideration.

Council Principles & Priorities
Maintain Superb/Affordable Core Services

Implementation Plan Update
November 18, 2008

State Council Priority: Proceed with Emergency Communications Relocation and Complete Fire Station #4 and Electric Substation Renovations

Project Manager Responsible for Implementing the Council Priority: Director of Public Works/City Engineer.

Quarterly Reporting of Highlights of Progress/Accomplishments:

1. Emergency Communications Relocation

A one-story 5,500 s.f. addition to the Police Administration Building that will accommodate the Emergency Dispatch Center, Police Permits, PAL Office and a new Community Meeting Room. Estimated completion of the construction project is Winter 2009 with occupation of the new facility in Spring 2010 after installation of the furnishings and equipment.

Current Status:

The Construction Project has been awarded to Page Construction. Landscaping work will be completed by City forces. The Design Consultant is continuing to prepare the specifications for the equipment and furnishings. Which will be contracted for installation next year.

Next Quarter:

Construction to begin in November 2008.

2. Fire Station #4:

This project involves the demolition of the original Fire Station No. 4 on Pruneridge Avenue and construction of a new 5,600 square foot 2-story fire station at the same site.

Current Status:

Project is complete. City Council accepted the Project on 8/19/08 and the Notice of Completion was recorded with the County on 8/22/08.

Next Quarter:

N/A.

3. Mission Substation Project:

Build a new Electric Distribution Substation in the Mission College area to support load increase. The construction will also include a 60kV line extension. Estimated completion is Third Quarter 2010.

Current Status:

The power transformer purchase contract with Siemens Power was approved on November 5, 2007; the scheduled transformer delivery date is November 2008.

Next Quarter:

Begin preliminary design for the substation as well as the 60kV line extension. Prepare options for substation layout to accommodate transmission route.

4. Palm Substation Project:

Build a new Electric Distribution Substation near the Sun Microsystems campus to supply increased load demands of Sun and the surrounding area. The construction also includes the construction of a 60kV line extension from the substation to SVP transmission system. Estimated completion is First Quarter 2009.

Current Status:

The contract for the construction of the substation has been awarded to Rosendin Electric and construction has begun. The site has been cleared and the excavation for the "mat slabs" is nearly complete (see photos).

The 60kV line extension project is out to bid.

Next Quarter:

Install the rebar, ground grid, and conduit and pour the concrete for the mat slab. Complete construction of the transformer pads and install the transformers.

Open bids for the 60kV line extension project on October 6. Award the contract and issue a notice to proceed. Order the 60kV conductor from 3M.

5. Serra Substation Rebuild:

Increase the load capacity at Serra to gain increased load switching flexibility between Homestead and Serra substations, and enhance reliability to the southern end of the city. SVP will replace the existing Serra Transformer 1 and obsolete switchgear with a new larger capacity power transformer and new switchgear. SVP will also add a second new power transformer (Serra Bank 2) and related switchgear. Estimated completion is Third Quarter 2010.

Current Status:

The power transformers were ordered in June 2007 and arrived in September 2008.

Next Quarter:

On hold due to more immediate demands to do similar work at Walsh Substation. Work will continue on Serra rebuild but the higher priority will be Walsh Substation. No change.

6. Walsh Substation Rebuild:

Walsh substation transformers and switchgear to be replaced with larger capacity units due to aging equipment, load demands in the area, and circuit switching capability. Estimated completion is Fourth Quarter 2009.

Current Status:

Power transformer purchase contract with Siemens Power was approved on November 5, 2007; the scheduled delivery date is November 2008.

Next Quarter:

Begin design of the initial substation layout based on 12kV switchgear design for Palm Substation. Station Design to follow after Mission Substation design is completed.

7. Kenneth Substation Project:

Build a new Electric Distribution Substation near Kenneth and Space Park to supply increased load demands of the surrounding area. Estimated completion is Fourth Quarter 2009.

Current Status:

Proposal for substation design is being developed.

Next Quarter:

Begin preliminary design. Order long lead time on material. Finalize property transfer to City of Santa Clara.

***Council Principles & Priorities
Foster Public Trust/Demonstrate Leadership***

***Implementation Plan - Timeline
November 18, 2008***

State Council Priority: Affirm commitment to reduction of greenhouse gases (GHG) and development of sustainable renewable energy & green power resources.

Project Manager Responsible for Implementing the Council Priority: Director of Electric Utility, Director of Streets/Automotive Services and City's Building Official.

Quarterly Reporting of Highlights of Progress/Accomplishments:

Principle: Commitment/Progress "Greening" of City-Wide Fleet

- In October, 2005, the City Council approved a goal of 75% of all non-public safety sedans to be ultra-low or zero-emission vehicles by the end of the 2007-2008 fiscal year.

Progress:	Non-Public Safety:	85%
	Total City-wide Fleet:	43%

- In May, 2007, the City Council joined Sustainable Silicon Valley and committed among other items to increase the fuel efficiency of our fleet with the goal of not increasing total fleet fuel usage. Council reaffirmed this goal as part of its Principles and Priorities for 2007-2009.

Base Fiscal Year Fuel Usage:	219,029 gallons
Current FY Fuel Usage (end Sept.):	61,994 gallons (30%)

- Silicon Valley Power worked with Automotive to investigate the purchase of a hybrid-diesel bucket truck and a "plug-in" upgrade to a fleet hybrid Toyota Prius. The bucket truck was too light duty for the purpose for which it was needed; the "plug-in" upgrade was too expensive and there were problems with delivery.

Principle: Encourage state/federal regulators/legislators to establish climate protection policies that are consistent and support Santa Clara's goals, including taking positions on various applicable pending legislation.

- The California Air Resources Board (CARB) approved a regulation to reduce toxic diesel particulate matter emissions from diesel fueled public agency and utility fleet vehicles beginning in 2007.

Total number of required retrofits by December 31, 2009:	29
Total number of required retrofits to date (September, 2008):	21 (72%)

- City Staff joined the Executive Steering Committee of Joint Venture Silicon Valley's Climate Protection Task Force to both guide and to leverage regional efforts to direct regional GHG mitigation policies and for cost and time efficiencies. Current efforts include the regional standardizing of solar permitting and electrical inspection processes, as well as leveraged activities in performing GHG inventories.
- The City is a member of ICLEI—Local Governments for Sustainability and is participating in a Greenhouse Gas inventory study with 27 other local government agencies. The goal of this inventory is to set a baseline which can be used to plan a City greenhouse gas reduction program. The inventory includes energy consumption of City facilities, street light and traffic signal energy consumption, City vehicle energy and refrigerant usage, landfill data, water and wastewater data, the City's power generation data, recycle data, and employee commute data.

Facility energy use, street light and traffic signal energy use, and vehicle information has been provided to ICLEI. Other areas are being evaluated by various City personnel and will be sent to ICLEI as they are completed. A majority of the information should be provided to ICLEI by December 2008. Final completion date of the project will be September 2009.

- City's Sustainable Silicon Valley GHG reduction goals for 2010 have already been met. Collaboration and cooperation among all City departments have led to the success in surpassing the City of Santa Clara's goals of a 10 percent reduction in CO₂ emissions associated with energy use at its City Hall and holding its vehicle fleet's total annual fuel consumption steady during a period of growth for Santa Clara.

Principle: Implement renewable energy program as suggested in the Renewable Portfolio Standards (RPS) with goals to implement renewable energy policy City wide, including the goal of 10% participation in customer green power program, Silicon Valley oil free program and the Cool Cities sign on to climate action pledge, which is directed at the federal government from mayors.

- Silicon Valley Power's renewable portfolio standard efforts are ongoing and focus on sustaining and increasing already high levels of renewable power as our electricity load continues to grow. SVP's renewable content of 29% renewable energy far exceeds current state goals of 20% by 2010.
- Customer participation rate in the Santa Clara Green Power continues to stay just under 9%. Another bill insert campaign is currently planned for the Fall.

Principle: Review status of energy efficiency in existing City buildings and potential for improvements. Consider options for Green Building/energy efficiency standards for construction of new City facilities.

- City Hall's HVAC chiller and boiler plus their electrical components have been replaced. The new chiller has reduced electrical consumption by an estimated 50% compared to the unit it replaced. The natural gas-fired boiler is estimated to reduce natural gas usage by about 20% over the unit it replaced. This will be evaluated over the winter months when building heat is required.

City IT is currently working with SVP on a server virtualization/consolidation project for their datacenter. Preliminarily, the energy savings per year could amount to 100,000-150,000 kWh. The City will qualify for a rebate from SVP on this project.

Principle: Review City's existing policies on recycling opportunities with the goal of expanding recycling at City facilities and City wide special events.

- Conducted proposal process and selected and approved a new agreement for an enhanced curbside recycling with the current provider. Improvements which will increase materials for recycling will be implemented in December, 2009.
- Starting in early September, the Circulation Department of the Library began selling reusable tote bags for \$1.00 each. These tote bags replace the plastic and paper bags that used to be available to library patrons for carrying checked out library materials. The attractive tote bags, with the Library's name, logo, and the City Seal can be used for shopping as well, encouraging the conservation of resources.

Principle: Collaborate with Santa Clara County Cities Association on pursuing its goal to draft a model "Green Building Ordinance" for Santa Clara County and partner with organizations like Silicon Valley Leadership Group in these efforts.

Prepare Summary Report of City's overall efforts to date on Green Power efforts.

- Monitor and report on California Building Officials (CALBO) Green Building Committee (City of Santa Clara Building Official is Past President of CALBO) and report on California Building Standards Commission's Green Building Committee. The Building Official continues to monitor the State's Green Building ordinance.
- Santa Clara partnered with the cities of Sunnyvale, Mountain View and Palo Alto to apply for a grant offered by the Department of Energy to increase the region's implementation of solar technology through the "Solar America Cities" program. The proposal was not selected to receive a grant by the DOE this year, but staff will continue to look for opportunities to collaborate with neighboring communities again in the future.
- Awarded solar rebate to first new multi-unit Residential Building in Santa Clara Co-funded a 50-kilowatt photovoltaic (PV) system for the apartment complex, 550 Moreland, through a \$150,000 rebate. The 430-unit complex of luxury rental properties is the first newly constructed, multi-unit residential building to install a solar system in the City. Producing 77,500 kilowatt-hours (kWh) annually, the new

solar electric system installed by Borrego Solar will help to power the common loads of the building, including lighting and electricity for a community room, gym, club house and theater. The environmental impact of the system will reduce CO2 emissions by approximately 102,435 pounds annually, which is roughly equivalent to the emissions from an average passenger car driven 173,545 miles every year for 30 years. They will be saving money on electric bills and contributing to a major reduction in greenhouse gas emissions at the same time.

- The Building Official is the co-chair of the Tri-chapter Uniform Code Committee (TUCC). One of the goals of the committee is to create consistency in code interpretation and policies among jurisdictions in the Bay area. A sub-committee of TUCC is formed on April 3, 2008 to review the standardized solar plans created by Solar Tech. Standardized solar plans will help to expedite the solar permit approval process.
- Under the direction of the Governor, the California Building Standards Commission had directed State agencies to develop green building standards that are feasible and enforceable for State and local jurisdictions to create consistency throughout the State. Proposed green building standards were submitted by the State agencies to the Building Standards Commission. The proposed green building standards went through the 45-day public comment/challenge period that lasted until May 12, 2008. The proposed standards may be implemented throughout California by early next year.

Next Quarter:

Automotive Service Department's Monthly Activity Reports will report on the monthly progress of the "greening" of the City-wide fleet.

Update the Silicon Valley Power Strategic Resource Plan to include GHG reduction strategies and continued investment in renewable resources.

Periodic reports to Council on participations in state and county Green Building Committees.

***Council Principles & Priorities
Foster Public Trust/Demonstrate Leadership***

***Implementation Plan - Update
November 18, 2008***

1. **State Council Priority:** Advance City's Ethics Program through analyzing and applying Ethical Decision-Making in City decisions with review of transparent reporting.
2. **Project Manager Responsible for Implementing the Council Priority:** Deputy City Manager and City Clerk.
3. **Quarterly Reporting of Highlights of Progress/Accomplishments:**

The July 2008 Mission City SCENES bill insert included an article entitled, "Campaign Season Begins and So Do Reminders to Vote Ethics."

The August 2008 Mission City SCENES utility bill insert included an article entitled, "Vote Ethics 2008."

On August 21, 2008, Dr. Shanks, City's Ethics Consultant, held a workshop for candidates and their campaign workers entitled, "Campaign Leadership for Public Trust: Strategies for Conducting an Honorable Political Campaign." All candidates, including three incumbent Council members attended; many candidates brought volunteers. The Mayor attended and was part of a panel discussion. Two other Council members, who were unable to attend, asked Dr. Shanks to express their strong support for the program.

The September 2008 Mission City SCENES included an image on the cover of the Vote Ethics graphic and an article, "Ethics in Government Begins at the Ballot Box."

A message printed on the face of the September and October utility bills stated, "Campaigns show how candidates will conduct themselves if elected. Pay attention to campaign tactics and Vote Ethics! www.VoteEthics.org."

City Clerk/City Auditor Rod Diridon Jr. and the City's Ethics Consultant, Dr. Tom Shanks staffed an Ethics booth in a prominent location at the Art and Wine Festival held September 13 and 14. Information on the City's Ethics and Values program was handed out at this event to Festival patrons.

On September 19, the City Manager was part of a three-tiered presentation at the Northern California City Clerk's Association Business meeting held at the Santa Clara Convention Center. The session was entitled "The Professional Progress of the City Clerk-Advancing to the Next Level." In addition to the City Manager's presentation, a City Clerk and a Human Resources Manager also provided their perspective on the topic.

The City Manager attended ICMA's 94th Annual Conference in Richmond, Virginia, on September 21-24, 2008. She served on a panel to discuss "Building Ethical Organizations." This conference provided a good opportunity to showcase the City's Ethics & Values Program.

The October utility bill envelopes had Vote Ethics messages: The front of the envelope next to the cellophane window had the Vote Ethics graphic, and said, "Good Government Begins at the Ballot Box" underneath the graphic. The back of the envelope had a message which stated "Vote Ethics.org or call (408) 615-2210."

The October Mission City SCENES included the Vote Ethics graphics and article, "Another election season, another reason to Vote Ethics."

The Fall issue of *Inside Santa Clara* contained the *Campaign 2008 Voters Guide* as an insert. The Guide provided information on how voters can evaluate candidates and the type of campaign strategies candidates use in their efforts to win.

The Fall *Inside Santa Clara* included an article, "Listening to Candidates is Part of Making an Informed Decision." The article provided information on the Candidates Forum scheduled for October 9, 2008 and The Final Word Forum scheduled for November 3, 2008.

The Deputy City Manager and Senior Staff Aide worked with the Santa Clara Chamber of Commerce to schedule a Candidates Forum on October 9, 2008. The Chamber invited the Citizens Advisory Committee and "Santa Clara Weekly" to co-sponsor this event. The Forum was held in the Council Chambers. Staff assisted primarily with set up and promotion.

A supplemental utility bill insert sent to all municipal utility customers throughout the month of October entitled, "There's a better way than drawing straws to select which candidate to vote for on November 4," provides the City's Code of Ethics & Values, along with a Voter Checklist for Evaluating Candidates.

A reprint of the *Campaign 2008 Vote Ethics Guide* originally mailed to every address in the City in the quarterly municipal newspaper *Inside Santa Clara*, was redistributed as a stand-alone mail piece on or about October 6. This time the *Vote Ethics Guide* was sent to all households.

An informational postcard #1 was sent to all households on or about October 14 titled, "There's a better way than flipping a coin to select a candidate," urging people to learn more about local candidates running for office.

As part of the Ethics & Values Program, and the Vote Ethics 2008 public information campaign, the City of Santa Clara wrote and filmed short videos which are airing on the City's website and on municipal government Cable Channel 15, focusing on themes from the 2008 Vote Ethics program. The videos are being released to coincide with the distribution of educational pieces that were mailed/are being mailed to residents and registered voters, echoing similar messages from the mailed pieces.

All of the above outreach publications regarding Vote Ethics program, including the video newsbriefs, are being posted on the City's website when they are debuted to the public.

The City held an AB 1234 Ethics training for all Board, Commission members and City Council in keeping with the State law which requires that local officials, including employees designated by a local agency, must take two hours of ethics training if they receive compensation for their service or are reimbursed for their expenses. Commissioners are included in the definition of "local officials." The training covered general ethics principles relating to public service and the ethics laws. The City's Ethics Consultant, Dr. Tom Shanks, attended this training, and provided comments in response to questions.

More than 40 Santa Clara churches received a letter from Dr. Shanks regarding the 2008 Vote Ethics Program, asking the pastors to help raise awareness of the program with their congregations, offering a guest speaker on the program, and asking for their participation and support. A copy of the Campaign 2008 newspaper insert was provided, along with sample text which could be reprinted in church bulletins, used in sermons or discussions, etc.

Dr. Shanks and the City Clerk have been making presentations to clubs and community organizations such as the Lions Club, Soroptimists, PTA Councils, etc. about the program and engaging members in dialog and discussion.

Staff is discussing the City's Vote Ethics Program with the *Santa Clara Weekly* and the *San Jose Mercury News*. Information on the program has been forwarded to other media and community groups including neighborhood associations.

During the month of October, the Highway 101 electronic sign is running a message with the Vote Ethics logo with the website, www.voteethics.org.

Vote Ethics materials are being distributed to City departments for public counters, to coincide with their distribution to public. Department Heads were reminded about the program elements, and provided information that they can share with their employees about the program.

Dr. Shanks sent a memo to all candidates, including the write-in candidate, reminding them of their promise to conduct ethical, issues-oriented campaigns, offering himself as a resource, asking them to continue making public trust a priority, providing reminders about candidate forums, etc.

On November 3, 2008, the Final Word Forum took place. The Forum moderated by the City's Ethics Consultant, Dr. Tom Shanks, provided an opportunity to candidates to debate any last minute issues and for voters to ask candidates about the campaign tactics they used.

Videotapes of the Candidates Forum and the Final Word were available for check out from the library.

Next Quarter:

- a. Informational postcard #2 will be mailed to households with registered voters on or about October 20 titled, "Candidates have choices...So do you," informing voters how candidates campaign reveal how they will behave as elected officials.

- b. Informational postcard #3 will be mailed to registered households on or about October 27 titled, "I promise...Ethical actions speak louder than words," reminding voters that while all candidates promise...only voters can decide who takes the oath of office, and encouraging residents to watch the Final Word Forum the night before the election.
- c. The City Manager's Office is continuing to review options for an event sponsorship policy for potential Ethics Committee and Council consideration.
- d. Meet with Ethics Consultant to explore the integration of City ethics and values into decision-making processes; present and discuss options at the next Ethics Committee meeting.
- e. Staff is preparing the Post Election Ethics Survey to launch following the November 4 election.
- f. Dr. Shanks is doing follow up phone calls with some of the 41 churches in the City of Santa Clara who received letters about the Vote Ethics program, and is continuing his work with the candidates for municipal office.
- g. A Candidate and Campaign Workers Post Election Feedback session is scheduled for January 8, 2009.

***Council Principles & Priorities
Foster Public Trust/Demonstrate Leadership
Implementation Plan Update
November 18, 2008***

State Council Priority: Create a cultural heritage/diversity entertainment theme at All-City July 4th Picnic and Fireworks Event.

Project Manager Responsible for Implementing the Council Priority: Acting Director of Parks & Recreation.

Quarterly Reporting of Highlights of Progress/Accomplishments:

Santa Clara City Library will again celebrate Native American Heritage month (November 2008) with a series of programs, bookmarks, films and displays celebrating the rich and diverse cultural contributions of the Native American Tribes. Native American Drum group Swift-Cloud will return to the Library on November 25 with a evening program of drumming and traditional dance.

Next Quarter:

Parks & Recreation Department will continue preparations for the July 4, 2009 All-City Picnic.

Parks & Recreation Department continues to do outreach to interested cultural groups in planning for the 2009 All-City Picnic. The Department is planning to expand the artist schedule to accommodate additional entertainers.

The Parks & Recreation staff agreed to collaborate with the Library's Youth Services staff to provide summer programs at the Central Park Pavilion next summer. In order to accommodate growing interest in the programs, library staff looked to Central Park. Following discussions, Community Recreation Center staff reserved the Pavilion for six consecutive Monday evenings, June 29 through July 31, 2009 for the Library's Multi-Cultural Monday programs. The Friends of the Library granted special funding for this series which will include programs such as Red Panda Acrobats, Ballet Folklorico, Native American Drummers and Dancers, and Santa Clara High School's Jazz Ensemble. This is certainly a win-win for all involved. The Library looks forward to bringing these programs to the park and enhancing the experience of regular park users who may not be library users; we appreciate the communication and collaboration between departments.

Council Principles & Priorities
Work Efficiently with Focus on Fiscal Responsibility
Implementation Plan Update
November 18, 2008

State Council Priority: Focus on replenishing working capital (Emergency) Reserves for General Fund.

Project Manager Responsible for Implementing the Council Priority: Director of Finance.

Quarterly Reporting of Highlights of Progress/Accomplishments: The projected balances in the General Fund Contingency Reserves as of June 30, 2008, were projected as follows:

- a. Working Capital (Emergency) Reserve: \$20.7 million or 13.9% of the adopted budget for 2008-09 of \$148.6 million. The policy is for a level of 25%; in other words, the City has on hand somewhat over half of what is needed as set by City Council policy. Last year's level was 12.7%, and progress has been made, in concert with the policy objectives.
- b. General Capital Project Reserve: \$400 thousand, after July 1, 2008 appropriations for the 2008-09 Capital Improvement Project budget (including additional funding for the design costs of the International Swim Center, per Errata Memo adjustments to the CIP Reserve)
- c. Land Sale Reserve: \$16.96 million
- d. Building Inspection Reserve: \$2.49 million

Next Quarter: Staff is in the process of finalizing the City's audited financial information and reports, and will return to City Council in the fall with updated information on the City's General Fund Contingency Reserves along with recommendations for reserve replenishment, as determined by City Council policy as follows:

- If excess revenues are available, set aside \$3.0 million per year for the next five years in the General Fund Emergency (Working Capital) Reserve;
- If excess revenues are available above the level of \$3.0 million, deposit the remaining excess funds in the Capital Project Reserve;
- Reallocate interest earnings from the Land Sale Reserve to the Emergency Reserves when not needed to balance the General Fund;
- Provide for annual Council review of this policy as part of the yearly budget process;

***Council Principles & Priorities
Foster Public Trust/Demonstrate Leadership
Implementation Plan Update
November 18, 2008***

State Council Priority: Develop succession plan for Electric Joint Powers Agency (JPA) Council representative.

Project Manager Responsible for Implementing the Council Priority: Director of Electric Utility.

Quarterly Reporting of Highlights of Progress/Accomplishments:

Mid-September – Presentation to the City Council: Descriptions of assigned duties and background information (including time commitments and expectations such as Committee Chairs and other leadership roles) for the Council representatives to the Electric Joint Power Agency Commissions and Boards. As part of this report, invitations were extended to City Council Members to participate in JPA meetings and events to familiarize potential candidates.

Mid-December – The City's current representative has indicated that informal discussions among Mayor and City Council Members have identified an interested candidate.

Mid-March – Presumptive new representative has begun to informally attend selected JPA meetings.

Background information:

MODESTO-SANTA CLARA-REDDING PUBLIC POWER AGENCY (M-S-R):

Projects: San Juan Generating Station, Farmington, NM (SVP: 51 MW)
Southwest Transmission Project, AZ to Southern CA (SVP: 51 – 80 MW)
Big Horn Wind Energy Project, Bickleton, WA (SVP: 105 MW)

Meets third or fourth Wednesday every other month at Navigant Consulting, Inc., 3100 Zinfandel Drive, Suite 600, Rancho Cordova, CA.

Contact: Alan Hockenson, Navigant Consulting, Inc. (916) 852-1300 or JoAnn Snyder, Administrative Assistant, MID (209) 526-7436.

Commissioner: Patrick Kolstad

Alternates: Patricia Mahan

City Staff Alternates: City Manager, Acting Director of Electric Utility John Roukema, Electric Division Manager Joint Action Coordination Martin Hopper

Commissioner Duties:

Executive: President and Vice President of Commission rotate among members.
Chair Commission Meetings as required.

Other Meetings: Attend biennial inspections of M-S-R Projects (San Juan Generating Station – Farmington, NM, and Big Horn Wind Energy Project, Bickleton, WA)

NORTHERN CALIFORNIA POWER AGENCY (NCPA):

Projects: Geothermal Project, Middletown, CA (SVP: 105 MW)
Hydroelectric Project, Calaveras County CA (SVP: 91 MW)
Combustion Turbine Project, Lodi and Alameda, CA (SVP: 31 MW)

Meets fourth Thursday every month except December at rotating NCPA cities (half in Roseville)

Contact: Denise Dow, Administrative Assistant to General Manager, (916) 781-4202.

Commissioner: Patrick Kolstad

Alternates: Patricia Mahan

City Staff Alternates: City Manager, Acting Director of Electric Utility, John Roukema, Electric Division Manager Joint Action Coordination Martin Hopper

Commissioner Duties:

Executive: Chair of Commission rotates among members. Chair Commission Meetings as required.

Committees: Executive: Santa Clara usually holds one of five seats on Executive Committee. Meets prior to Commission meetings and as called by General Manager. Chair of Executive Committee rotates every two years and also serves as Chair of Commission.

Legislative and regulatory Committee: Meets six times per year; either the day before or in conjunction with Commission meetings. Chair of L&R Committee rotates every two years and often subsequently serves as Chair of Executive committee. L&R Committee reviews legislative and regulatory matters (State and Federal) and provides policy advice to Commission.

Other Meetings: NCPA Strategic Planning Retreat: Two days, January, Sacramento, held in conjunction with commission meeting.
CMUA (California Municipal Utilities Association) Capitol Day, Sacramento, February
APPA (American Public Power Association) Legislative Rally, Three days, Washington, DC, March
NCPA Federal Policy Forum, Three days, Washington, DC, April
APPA National Conference and Public Power Expo, Four days, Location rotates nationwide, June
NCPA Annual Meeting, Three days, Northern California, Held in conjunction with Commission meeting, September

Commission Joe Kornder has been shadowing Commissioner Pat Kolstad to be prepared for taking over the role in November, 2008.

Next Quarter:

November, 2008 - Succeeding Representative(s): Newly appointed representative(s) successfully transitioned into the Electric Joint Powers Agency Commissions and Boards

***Council Principles & Priorities
Foster Public Trust/Demonstrate Leadership
Implementation Plan Update
November 18, 2008***

State Council Priority: Generate options for Capital Improvement Project funding.

Project Manager Responsible for Implementing the Council Priority: Director of Finance.

Quarterly Reporting of Highlights of Progress/Accomplishments:

Staff met with the City's financial advisors to finalize options. Staff presented an Agenda report at the May 13 City Council Study Session held to review significant capital improvement projects. This priority has been completed.

Staff also included a recommendation to refer the financing for the International Swim Center to the City Manager to develop financing options.

Next Quarter: No action on the overall priority of developing financing options is anticipated for the Fall 2008. However, Staff anticipates considering financing options for capital projects requirements for all funds during the budget process starting in December 2008 – January 2009. The highlights of the capital budget development are as follows:

- The capital review process is an integral part of the annual budget development of the City, and starts each year in December-January.
- In particular, the General Fund capital projects needs are of significant concern in 2009-10 due to the level of reserves, in light of the need for \$5 million to \$7 million of capital needs for routine street and facility maintenance in the City. Staff will be developing financing recommendations for these basic capital projects during the capital review.
- Additional focus will be on developing financing recommendations for longer-term projects for which there is no identifiable funding, such as the 800 MHz Radio Replacement system for the City when design is completed.

***Council Principles & Priorities
Support & Celebrate Community/Volunteer Partnerships
Implementation Plan Update
November 18, 2008***

State Council Priority: Participate in Library Ambassador Outreach Program; Review Sister Cities Program; and restore Citywide garage sale program.

Project Manager Responsible for Implementing the Council Priority: Deputy City Manager, City Librarian and Director of Streets and Automotive Services.

Quarterly Reporting of Highlights of Progress/Accomplishments:

Participate in Library Ambassador Program:

Councilmembers Caserta and Kornder evaluated entries for READ Santa Clara's annual writing contest for the Book of Learner Writings. The theme of this year's contest was "What I really, really, REALLY want", in which learners wrote about their heart's desire.

Review Sister Cities Program:

The IEC further developed the outline and content of the Exchange Program Recommendations Report and discussed it in detail at subsequent meetings for Council's consideration. The Commission continued close cooperation with the Santa Clara Sister Cities Association and interviewed other municipalities to consider additional alternatives, criteria and procedures.

Restore Citywide Garage Sale Program:

Garage Sale Day was held on Saturday, August 16, 2008, and positive resident feedback received by telephone and e-mail.

Garage Sale Day has been scheduled for August 15, 2009. Date has been submitted for publication in the City calendar. Date will also be advertised on the City website, in the Summer 2009 issue of Inside Santa Clara, and on Cable Channel 15, along with tips for holding a successful garage sale, City regulations concerning posting of signs, and charitable organizations to which residents can donate items not sold.

Next Quarter:

Participate in Library Ambassador Program:

Councilmembers are invited to attend the annual holiday party/book release event in December 2008, to award prizes to the top writers in the Book of Learner Writings contest and participate in the book launch ceremony.

Review Sister Cities Program:

The International Exchange Commission will submit the report to Council as scheduled in December. The IEC will continue to coordinate closely with the Santa Clara Sister Cities Association in ongoing exchange efforts and future program considerations.

Restore Citywide Garage Sale Program:

Website information will be uploaded, and the City's Garage Sale e-mail address (garagesale@santacalaraca.gov) will be updated to reflect information for 2009.

Council Principles & Priorities
Pro-active Economic Development/Fiscal Responsibility
Implementation Plan Update
November 18, 2008

State Council Priority: Examine feasibility of stadium in Bayshore North entertainment zone.

Project Manager Responsible for Implementing the Council Priority: Assistant City Manager.

Quarterly Reporting of Highlights of Progress/Accomplishments:

1. Review and evaluate 49ers proposal for stadium: Under the current Negotiating Agreement approved by Council on February 12, 2008 and amended on June 17, 2008, the deadline for completion of Term Sheet negotiations is February 1, 2009, with a special election to be held in 2009 sometime between June 1, 2009 and November 1, 2009 (contingent on an approved Term Sheet). City staff and 49ers representatives continue to meet on a regular basis to negotiate the provisions of a Term Sheet.

Concurrent with the work on the Term Sheet, the 49ers have begun the California Environmental Quality Act (CEQA) process by filing a project application for the proposed stadium. On August 15, 2008, the City issued a Notice of Preparation of an Environmental Impact Report for the 49ers Stadium Project, and two public scoping meetings were held on September 2, 2008 to allow public input on the scope and content of the environmental information to be considered in the Environmental Impact Report (EIR).

2. Work with Cedar Fair to identify/resolve issues related to potential impacts on theme park: 49ers representatives are actively working with Cedar Fair to resolve their mutual concerns and issues, and it is expected that these issues will be dealt with in the process of completing a Term Sheet.
3. Provide information to Council and the public through periodic "Committee of the Whole" meetings: Although no specific "Committee of the Whole" meetings were held during this quarter, two scoping meetings were held to allow public input on the scope and content of the EIR.

Next Quarter:

Term Sheet negotiations with the 49ers will continue during the next quarter, as will the work on the EIR.

Council Principles & Priorities
Pro-active Economic Development/Fiscal Responsibility
Implementation Plan Update
November 18, 2008

State Council Priority: Achieve progress on downtown revitalization through selection of master developer.

Project Manager Responsible for Implementing the Council Priority: Assistant City Manager.

Quarterly Reporting of Highlights of Progress/Accomplishments: At their May 13, 2008 meeting, the Council approved holding the Request for Proposal process in abeyance for a period of one year; therefore, there were no actions taken this quarter (July/August/September 2008).

Next Quarter: No actions are anticipated next quarter. Staff will return to Council in July 2009 with a recommendation for how to proceed through the Master Developer Selection Process. It is anticipated that market conditions and the economy will have settled allowing this vital project and City priority to proceed.

Council Principles & Priorities
Pro-active Economic Development/Fiscal Responsibility
Implementation Plan Update
November 18, 2008

State Council Priority: Emphasize strong commitment to affordable housing; complete the BAREC process, with senior housing element.

Project Manager Responsible for Implementing the Council Priority: Director of Planning and Inspection.

Quarterly Reporting of Highlights of Progress/Accomplishments:

- Belovida Senior Apartment Project: Relocation of all tenants settled and completed. Loan Agreement for construction financing finalized and executed. Existing buildings demolished and site grading completed. Groundbreaking ceremony held September 4th. Building construction is underway.
- Gianera II (Habitat for Humanity): The construction of six homes continues, although slower than first anticipated. Turn-over in HfH administration has resulted in some delay in project performance.
- Below Market Purchase (BMP) Program and First Time Home Buyer (FTHB) Financing Program: The continued slow-down of the home building industry is affecting the activity of both programs. During the quarterly reporting period, there were two BMP resales, and four FTHB mortgage loans issued.
- The Commons Project (Bill Wilson Center): BWC finalized commitments for project funding from sources other than the City. Groundbreaking ceremony held September 24th to commence start of substantial rehabilitation of the 28-unit facility.

Next Quarter:

- Belovida Senior Apartment Project: Monitor construction progress for issuance of monthly loan disbursements.
- Gianera II: Building construction continuing due to extended completion expected Spring 2009.
- Below Market Purchase (BMP) Program and First Time Home Buyer (FTHB) Financing Program: Continue to market the FTHB Program to the local realtor industry.
- BAREC site clean-up is anticipated to be conducted this Quarter. The 163-unit affordable senior housing project by the Santa Clara Methodist Retirement Foundation and Charities Housing is on hold in design phase awaiting outcome of legal issues.